

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-232-C – ORDER NO. 2004-640

DECEMBER 22, 2004

IN RE:	Application of Telecom Management, Inc.)	ORDER GRANTING
	d/b/a Pioneer Telephone for a Certificate of)	CERTIFICATE
	Public Convenience and Necessity to Provide)	
	Resold Intrastate Interexchange)	
	Telecommunications Services within the State)	
	of South Carolina)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Telecom Management, Inc. (“TMI”, “Applicant”, or the “Company”) for authority to provide interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2003) and the Rules and Regulations of the Commission.

By letter, the Commission’s Executive Director instructed TMI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. The Commission received no Petitions to Intervene or protests regarding the Application.

A hearing was commenced on December 16, 2004, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Randy Mitchell, Chairman, presided. John J. Pringle, Jr., Esquire, represented the Applicant. Jocelyn Boyd, Staff Counsel, represented the Commission Staff.

Mr. Kevin Photiades, the Compliance Specialist for TMI, appeared and testified in support of the Application. The record reveals that Mr. Photiades described the nature of TMI's proposed service offerings within the State of South Carolina. Additionally, Mr. Photiades demonstrated the Company's financial, managerial, and technical ability to provide telecommunications services in South Carolina.

According to the testimony, TMI is a corporation, originally organized under the name Payphone Management, Inc. on February 22, 1995. The name was changed by Amendment on June 21, 2001. Also, TMI operates under the name of and does business as "Pioneer Telephone." TMI received authority from the South Carolina Secretary of State to transact business within the State of South Carolina on June 18, 2004. TMI's corporate headquarters are located in Portland, Maine.

The Company seeks authority to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis. Specifically, TMI, d/b/a Pioneer Telephone proposes to offer traditional switched long distance services, toll-free services and post-paid calling card services. With regard to calling card services, the Company is aware of the bond requirement for prepaid calling card services. Should the Company desire to begin offering prepaid calling cards, TMI states it would post the requisite bond.

Mr. Photiades asserts that TMI will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Mr. Photiades offered that approval of TMI's Application serves the public interest by increasing telecommunications competition in South Carolina, thereby bringing about lower rates, improved quality of service, and enhanced services.

Mr. Photiades discussed TMI's requests for certain waivers of Commission regulations. The Company seeks waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2003) so that TMI can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in Maine. The Company requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"). Accordingly, Applicant sought Commission authority to keep its books and records in accordance with Generally Accepted Accounting Principles ("GAAP").

The Company's underlying carriers will be Qwest and/or Global Crossing. The Company can assure the Commission that any carrier with whom the company contracts for the provision of interexchange services will have been properly certified by this Commission. Mr. Photiades further stated that the Company will bill its customers directly. The Company will also furnish a copy of its Bill Form, according to 26 S.C. Code Ann. Regs. 103-612.2 and 103-622.1 (1976). He further committed that his Company will file the Commission's required financial reports in a timely fashion.

The record reveals that TMI will offer comprehensive customer service on its toll-free telephone number (888) 492-6878. Mr. Photiades said that this number will appear

on the customer's invoices and customers may contact this number for information concerning their bills. Customer service agents will be available from 9:00 a.m. to 8:00 p.m. (EST) Monday through Friday. The Company's customer service department is also available by e-mailing info@pioneertelephone.com.

Regarding the Company's financial resources, Mr. Photiades testified that TMI has sufficient financial capability to provide the requested telecommunications services in South Carolina and has the financial capability to maintain these services.

Mr. Photiades stated that TMI will market its services in South Carolina using independent agents and/or in-house sales representatives. The Company does not intend to use telemarketing in connection with its services.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company is a corporation duly organized and existing under the laws of the State of Maine, and has been authorized to do business in the State of South Carolina by the Secretary of State.
2. The Company is a provider of interexchange telecommunications services and wishes to provide its services in South Carolina.
3. The Company has the managerial, technical, and financial resources to provide the services as described in its Application.

4. The Commission finds that TMI should be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.

5. The Company is hereby granted permission to maintain its financial books and records at its principal headquarters in Portland, Maine. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts (“USOA”).

CONCLUSIONS OF LAW

1. The Commission concludes that a Certificate of Public Convenience and Necessity should be, and hereby is, granted to TMI to provide intrastate interexchange telecommunications services and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of traditional switched long distance services, toll-free services and post-paid calling card services and any other services authorized for resale by tariffs of carriers approved by the Commission.

2. With regard to the interexchange service offerings of the Company, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. With regard to interexchange service rates, the Company shall not adjust its interexchange service rate below the approved maximum levels without notice to the

Commission and to the public. The Company shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2002).

4. If it has not already done so by the date of issuance of this Order, the Company shall file its revised interexchange tariff and accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order, and shall be consistent with the Commission's Rules and Regulations.

5. The Company is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. TMI shall resell the services of only those interexchange carriers authorized to do business in South Carolina by this Commission.

8. With regard to the origination and termination of toll calls within the same LATA, the Company shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission ("FCC"), pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

9. TMI shall file annual reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, TMI shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. The two-page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. The Company shall also file with the Commission a copy of their general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2002).

11. The Company shall conduct its businesses in compliance with Commission decisions and Orders, both past and future.

12. By its Application, the Company requested a waiver of 26 S.C. Code Regs. 103-610 of the Commission's rules and regulations. The Commission finds the Company's request reasonable and grants the requested waiver so that TMI can maintain its records outside of South Carolina. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform

Systems of Accounts (“USOA”), and shall be allowed to keep its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”).

13. TMI shall comply with all Rules and Regulations of the Commission unless the Commission specifically waives a regulation.

14. The Commission concludes that TMI shall be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.

15. TMI shall maintain its financial books and records at its principal headquarters in Portland, Maine. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts (“USOA”).

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O’Neal Hamilton, Vice Chairman

(SEAL)